

EXHIBIT 22

(1) Manager Performance Rating Toolkit

September 2007

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Overview – Manager Performance Rating

The **Manager Performance Rating (MPR)** assesses each individual based on performance, contribution and potential relative to expectations for the employee's level of experience, position and peer group comparators.

In the past, the compensation quartiling process has attempted to incorporate both performance assessments and compensation placements. This has led to inconsistencies and has not filled the firm's need for a pure performance measure. The MPR gives managers and leaders a direct measure of the quality and capability of the firm's talent that was not available in the past.

Factors:

- 360-degree review data
- Quality of performance (360 input and manager's view of accomplishments)
- Long-term commercial impact or contribution
- Technical / functional expertise
- Potential to assume increasing responsibility
- Leadership and management skills
- Diversity and citizenship-related activities

Purposes:

- Manage talent including professional development, mobility, training, and promotions
- Assess strength of bench and succession planning
- Drive Career Development Reviews (CDRs)
- Identify top, middle, and bottom performers
- Identify performance levels of regretted losses
- Consideration in terminations, downsizings, and managing out underperformers
- Factor in compensation consideration

Rationale

The manager performance rating was created to assess the firm's talent *independent* of compensation factors such as market compensation levels and compensation history. The MPR is an input for compensation recommendations but not the sole determinant. For example, due to market compensation forces, an employee who is top-rated in terms of MPR may receive flat compensation year-over-year while a middle rated employee may receive a higher percentage increase. Although MPRs will correlate with compensation recommendations, it is important to establish that independent assessments were made. De-coupling these processes for employees at the middle to upper range of performance allows for a pure talent assessment rating.

Terms Defined

- *Performance* – delivery of results against standards
- *Contribution* – long-term commercial impact, intellectual capital, and participation in diversity and citizenship-related activities
- *Potential* – ability to assume increased responsibility and leadership roles over time. Components of potential include but are not limited to:
 - Integrity: actions are in-line with words; culture carrier; viewed by others as a role model
 - Capability: inherent abilities or formal education and training needed to succeed
 - Experience: personal and career related defining moments; proven ability to handle and navigate adversity; taking risks when appropriate; weathering difficult business cycles; well-rounded business exposure; demonstrated leadership and management skills
 - Judgment: anticipates issues and determines appropriate solutions; can see the big picture

Details & Guidelines

Categories

- Individuals should be assigned one of the following ratings:
 - R1 (Top 25%) = Performance *exceeds* expectations with *significant upside* potential
 - R4 (Bottom 11-25%) = Performance, while acceptable in certain respects, is *comparatively weak*; may be *some* potential to develop further
 - R5 (Bottom 10%) = Performance *fails* to meet expectations; *limited* potential to develop further
 - Blank designation indicates individual falls between the 26th – 75th percentiles
- Divisions have the option to separately assign R2 or R3 designations.

Population

- Ratings should be assigned to the Talent Management Population.
- The Talent Management Population includes all exempt employees – EMDs and below who participate in the formal review process (hired on or before April 1). Non-exempt employees (Assistants) will be rated separately.
- The MPR should *not* include any individual who is hired after April 1 and is *not* part of the formal review process.
- MPRs should be assigned in a separate exercise to those who:
 - have been on paid leave for 8 weeks or more during the fiscal year.
 - will be transferring out of the division.
 - are non-exempt.

These populations will not be included in the final divisional distribution of ratings.

- For any individual who has been on maternity or disability leave during the year, contact Employee Relations before assigning a MPR.

Monitoring

- An independent review process with special focus on women, historically underrepresented groups and certain other groups will continue to be applied. Employee Relations, Legal, and/or your divisional HCM representative may ask you for clarification on your MPRs.

Important Considerations for Rating Employees

Overall

- Assess overall performance, contribution and potential by considering the factors below, as demonstrated by behavior displayed and results attained during the year:
 - 360-degree review data
 - Quality of performance (360 input and manager's view of accomplishments)
 - Long-term commercial impact or contribution
 - Technical / functional expertise
 - Potential to assume increasing responsibility
 - Leadership and management skills
 - Diversity and citizenship-related activities
- Assess each individual based on performance, contribution and potential relative to:
 - expectations for that individual's level of experience and position.
 - the individual's peers.
- You should give primary weight to his/her accomplishments and contributions and secondary weight to capability and potential.
- Pay close attention that the ratings are fair and factually grounded for women, historically underrepresented groups and certain other groups.
- Do not include projected compensation as a factor.

360-Degree Reviews & Performance Measures

- Comments and ratings from 360 reviewers and any relevant mid-year comments should be a key input for your rating decisions.
- Although the 360 ratings do not provide as complete a measure of performance as MPR, validate any substantial differences between 360 data and the rating you assign.
 - The 360 feedback does not always reflect total performance, long-term commercial impact and potential and may not fully differentiate between the individual and others to whom he/she would reasonably be compared. It does not capture the manager's unique perspective.
- Use historical performance and work experience in the individual's current role to inform your decision and help you to determine whether this year is part of a long-term pattern of strength or weakness. Consider where each individual is in his/her career (e.g., on a steep upward learning curve, reached a plateau or derailed in current role).
- Consider whether the individual has received recent and specific feedback regarding performance issues and has had an opportunity to improve in the areas of deficiency.

Important Considerations for Rating Employees (cont.)

Level / Seniority

- Divisions are encouraged to segment VP/ED populations into more senior and more junior VP/EDs, so that the rating is not excessively affected by seniority.
- Collectively, the ratings still need to add up to the percentage requirements for the division.

Function

- Consider whether the individual is in a revenue producing division performing an administrative role and therefore should be evaluated and rated within the administrative workforce.

Global Teams

- Assess performance and potential within titles and then contrast individuals across functions and regions.
- The 360 ratings may differ from one region to another given variations in reviewers' rating practices. Use your insights in conjunction with the 360 feedback to determine performance throughout the year.
- Where applicable, you may choose to assign both a global and regional MPR. Note that only the global MPR will be used in the reports supporting the independent review.

Frequently Asked Questions

1) How is the manager performance rating any different from the compensation quartile used for compensation recommendations in past years?

The manager performance rating assesses overall performance, contribution and potential by considering factors such as those listed below, as demonstrated by behavior displayed and results attained during the year:

- 360-degree review data
- Quality of performance (360 input and manager's view of accomplishments)
- Long-term commercial impact or contribution
- Technical / functional expertise
- Potential to assume increasing responsibility
- Leadership and management skills
- Diversity and citizenship-related activities

In the past, a primary purpose of the compensation quartile was to set the employee's compensation recommendation. In contrast, the manager performance rating should be used for the purposes above and also as one of several inputs when setting the employee's year-end compensation. *It is not the sole determinant of the compensation recommendation.*

The manager performance rating will give managers and leaders a direct measure of the quality and capability of our talent not available in the past -- without the overlay of compensation considerations.

2) Why are we now changing to the manager performance rating?

The manager performance rating will provide managers and divisional senior leadership with an assessment of our talent not available in the past, as it does not take into consideration pure compensation factors such as market compensation levels and compensation history. This rating, along with other inputs, will be used during professional development, training and promotion discussions to ensure each employee is progressing in his/her career and reaching his/her potential. It should be considered a broad overall assessment of performance based on current capabilities and the potential to take on increasing responsibility. It also addresses legal concerns that, in the past, the divisions have not had a consistent approach or purpose for setting manager quartiles.

3) Do I need to do two rating exercises?

For the firmwide process, you are required to provide *only* the manager performance rating for each employee, reflecting his/her overall performance, contribution and potential. Managers and divisions will *not* be required to quartile for compensation purposes.

Frequently Asked Questions (cont.)

4) How many manager performance ratings are there?

The firm requires all divisions to rate people into at least three categories.

- R1 (Top 25%) = Performance *exceeds* expectations with *significant upside* potential
- R4 (Bottom 11-25%) = Performance, while acceptable in certain respects, is *comparatively weak*; may be *some* potential to develop further
- R5 (Bottom 10%) = Performance *fails* to meet expectations; *limited* potential to develop further
- Blank designation indicates individual falls between the 26th – 75th percentiles

Divisions have the option to separately assign R2 or R3 designations.

5) Is this forced-ranking?

Yes, this process involves forced ranking. Your division will decide:

- how many categories or ratings should be used (at minimum three: top 25%, bottom 11-25%, and bottom 10%).
- how business areas will be broken down for rating purposes.

Divisions are encouraged to segment the VP/ED populations into junior and senior designations more than in prior years to ensure ratings reflect overall performance, contribution, and potential and are not excessively affected by seniority. Collectively, the ratings still need to add up to the percentage requirements for the division.

6) Do I rate EMDs and new employees on my team?

You must rate all employees defined in the Talent Management Population (exempt employees – EMDs and below who participate in the formal review process – hired on or before April 1). Anyone who has been on paid leave for 8 weeks or more during the fiscal year, will be transferring out of the division, or is a non-exempt employee (Assistants) will be rated separately. Those hired after April 1 and are *not* part of the formal review process should not be rated.

7) What is the implication of assigning a R5 (bottom 10%) to an employee?

A manager performance rating in the bottom 10% reflects comparative under-performance relative to peers. It does not necessarily mean the employee should be placed on an immediate performance warning or be terminated. You should consult with your divisional Employee Relations or HCM professional for guidance on how to communicate and manage employees assigned a R5 (bottom 10% rating).

Frequently Asked Questions (cont.)

8) Will there be direction from senior management regarding whether employees in R5 (bottom 10%) will receive a compensation increase?

The manager performance rating is now distinct from the compensation recommendation. Separate guidance will be given to you by your HCM professional regarding bottom 10% performers as it impacts their compensation.

9) Do I need to adhere to a strict R1 (top 25%), R4 (bottom 11-25%) and R5 (bottom 10%) distribution?

You need not adhere to a strict percentage distribution of ratings. The firm will accept "soft edges". For example, if your division is using three ratings, R1 can have a distribution between 23% and 27% of the total Talent Management Population.

10) How will the divisional roll-up the ratings across levels and functions?

Your divisional HCM team will ensure there is an approximate forced ranking over the entire division.

11) Who sees or reviews the ratings I assign to my employees? Will the ratings be reviewed by divisional senior leadership, HCM or others?

Your manager performance ratings will be reviewed by your divisional HCM team as well as divisional senior leadership. As in past years, an independent review process with special focus on women, historically underrepresented groups and certain other groups will be applied to the manager performance rating process. Employee Relations, Legal, and/or your divisional HCM representative may ask you for clarification on some of your rating recommendations.

Frequently Asked Questions (cont.)

12) What are the factors to consider in setting the manager performance rating, and how do I weigh each element in formulating the rating?

When rating each employee, assess overall performance, contribution and potential by considering factors such as those below, as demonstrated by behavior displayed and results attained during the year:

- 360-degree review data
- Quality of performance (360 input and manager's view of accomplishments)
- Long-term commercial impact or contribution
- Technical / functional expertise
- Potential to assume increasing responsibility
- Leadership and management skills
- Diversity and citizenship-related activities

You should give primary weight to his/her accomplishments and contributions and secondary weight to capability and potential. You should not include compensation forecasting in your MPR assessment. For each of your employees, ensure your rating is made relative to:

- expectations for that individual's level of experience and position.
- the individual's peers.

13) How do I use this rating in relation to the messages I send in the year-end review discussion?

The purpose of the MPR is to capture overall performance. It should encapsulate the strength of the employee's performance, contribution and potential shown in the current year and should align very closely to the messages sent in the year-end review discussion. As in the past, your year-end review discussion should cover the employee's job accomplishments and contributions over the past 12 months, areas for development, mentoring and plans for stretch assignments and responsibilities to increase the employee's professional development over the coming review year.

14) Should I communicate the manager performance rating to my employees?

Your divisional HCM team will provide you with guidance on whether it is appropriate to communicate to the employee his/her manager performance rating.

Frequently Asked Questions (cont.)

15) How is the manager performance rating different from the 360-derived quartile some divisions display in the manager feedback report? How should the two relate?

Some divisions compute a **derived** 360-degree regional and global quartile for employees and publish this in the manager feedback report. This quartile is based on the adjusted average of the 360-degree ratings for certain criteria. The criteria are: Technical Skills, Communication Skills, Judgment/Problem Solving, Teamwork, Compliance, Diversity, Leadership, Overall Commercial Effectiveness, and Overall Professional Performance.

The manager performance rating and the derived 360-degree quartile do not represent the same information. The quartile derived from 360-degree information reflects certain aspects of 360-degree input, but does not take into account the manager's overall assessment, which is the information captured in the manager performance rating. The manager is best placed to differentiate between the performance of the individual and others to whom he or she should reasonably be compared. Although the manager performance rating and the 360-degree quartile do not have the same basis or purpose, you should take care to validate any substantial differences between the quartile published in the feedback book and the manager performance rating.

16) How does the manager performance rating correlate to promotion and percentage compensation increases?

It is not the sole determinant of promotion and compensation; however, it is an important factor in considering promotion and compensation.

17) How do I respond when asked, "How does the manager performance rating impact my promotion and compensation?"

Your response should be that the manager performance rating is an overall assessment of performance and potential to monitor your career progress and development. You should explain that this rating is one of several factors that will go into the manager's thinking about promotion and compensation, but that it does not necessarily determine promotion and compensation. Other factors considered include: special business needs, market conditions, leadership, exhibiting good citizenship, etc.

18) How will this affect the comparative quartiling and compensation process?

It will have no effect. Your HCM representatives will continue to work with Employee Relations and Legal to review the manager performance ratings and compensation recommendations, focusing on women, historically underrepresented groups and certain other groups. Although MPR does not determine compensation, it should be a factor. As in past years, you may be asked to clarify some of your ratings and compensation proposals. If you have any questions regarding this process, please contact your divisional HCM representative (see last page of this document).

19) Whom do I contact if I have additional questions about this rating?

If you have any questions regarding this process, please contact your appropriate divisional HCM representative. Divisional contact information is included at the end of this toolkit.

Divisional Contacts

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